

Executive Summary

Real gross domestic product (GDP), an inflation-adjusted measure of the total output of goods and services produced in the United States, grew by 2.6 percent in the first quarter of FY03*. The economy strengthened compared to earlier performance, but so far the recovery has been too weak to be noticeable to most people. Consumer spending, which accounts for two-thirds of real GDP, rose by 4.4 percent in the first quarter. Total investment spending then comprises about one-fifth of GDP, is sensitive to both interest rates and future expansion opportunities. Overall the investment component of GDP fell by 6.1 percent, with the sharpest drop in business investment.

Kentucky's personal income is estimated to reach \$105.8 billion in the first quarter of FY03, an increase of 3.4 percent from a year ago. This matched the growth in U.S. personal income during the same period. Wages and salaries, a little over half of personal income, are estimated to have grown by 2.2 percent in Kentucky. Nonagricultural employment in Kentucky is estimated to have increased by 16,000 jobs in the first quarter, resulting in growth of 0.9 percent. Leading the way in employment growth were wholesale and retail trade (up 3.0 percent), services (up 3.5 percent).



General Fund revenues for the first quarter of FY03 exhibited moderate growth over the first quarter of FY02; however this growth resulted from extraordinary events. Receipts in the first quarter totaled \$1,639.9 million compared to \$1,561.2 million received in the first quarter the previous fiscal year. A growth rate of 5.0 percent. Growth was boosted by one-time sales tax payments in August, as well as the conclusion of the Tax Amnesty program. As usual, quarterly receipts vary by differences in the timing of payments into revenue accounts. In the first quarter, property taxes were affected by these timing differences.

Total sales and use tax receipts for the quarter exhibited strong growth of 9.8 percent due to the reasons cited above. Individual income taxes on the other hand, declined 1.8 percent compared to a growth rate of 0.3 percent for the first quarter last year. Corporation income tax receipts rose sharply by 14.0 percent, boosted by Tax Amnesty. The coal severance tax fell sharply in the first quarter, declining 13.9 percent from the previous year. Property taxes rose 21.4 percent in the first quarter due to timing differences. The lottery rose by 2.6 percent during the first quarter. The "all other" category jumped by 19.6 percent, due to increases in the corporate license and insurance premiums taxes.

The Road Fund experienced robust growth in the first quarter of FY03, up 10.4

percent from the prior year. Receipts totaled \$288.9 million and compare to \$261.7 million during the first quarter of last year. Motor fuels tax receipts rose at a rate of 5.5 percent during the first quarter. The motor vehicle usage tax was up sharply by 14.8 percent from the first quarter of last year. Weight distance tax receipts grew by 2.8 percent over receipts during the first quarter of FY02. The remainder of the Road Fund accounts combined for an increase of 17.1 percent from a year earlier.

General Fund revenues are anticipated to total \$5,120.6 million in the final three quarters of FY03, yielding a growth rate of 2.4 percent over the same period a year ago. For the entire fiscal year, total General Fund collections are expected to grow 3.1 percent, with total revenues of \$6,760.5 million. Sales and use tax receipts are estimated to grow by 2.7 percent in the final three quarters of FY03. The interim forecast for the individual income tax calls for growth for the entire year of 4.7 percent. The outlook for the corporation income tax and corporate license tax combined projects a decline of 3.7 percent in the final three quarters of FY03.

Overall for this fiscal year, coal severance taxes are projected to fall by 10.0 percent.

Property tax receipts for the fiscal year are expected to fall 2.8 percent. For the entire fiscal year, lottery revenues should drop by 4.2 percent from the previous fiscal year. The "all other" category should fall by 4.1 percent in the final three quarters of the fiscal year.

Road Fund revenues are expected to fall by 3.2 percent in the final three quarters. For the entire fiscal year, revenues should register no change from the previous year, totaling \$1,118.9 million. The combined total of motor fuels normal, heavy vehicle fuel surtax, and motor fuels normal use tax is estimated to grow by 2.1 percent for the entire fiscal year. Motor vehicle usage taxes are expected to rise slightly by 0.2 percent for FY03.

Based on the latest evaluation, license and privilege taxes are expected to drop by 0.8 percent. The weight distance tax and surcharge are estimated to grow by 3.6 percent from a year ago. Toll income is estimated to remain unchanged from a year ago. Due primarily to lower balances, investment income should fall by 37.9 percent in FY03. All other Road Fund sources are estimated to fall 0.5 percent from FY02.

**The state's fiscal year, which begins on July 1, will be used as the time frame throughout this report, i.e., the first quarter of FY2003 covers the July-September 2002 period.*

The Economy

NATIONAL ECONOMY

First Quarter, FY03

The U.S. economy is showing increased strength, especially from consumer demand. But business investment and industrial output are not contributing to the recovery in spite of favorable interest rates.

Real gross domestic product (GDP) is an inflation-adjusted measure of the total output of goods and services produced in the United States. Real GDP is estimated to have increased by 2.6 percent in the July-to-September quarter. This is a healthy sign and indicates that the recovery seems to have taken root. Just a year ago real GDP was in a decline and the economy was in the midst of a recession. However, given the vagaries of economic data most people were unaware that an official recession was underway.

Just as the strength of the economy during the 1990s was from consumer demand, so is the current recovery. Total real consumption increased by 4.4 percent in the first quarter, compared to 1.9 percent in the previous quarter and 1.5 percent

a year ago. Consumption of durable goods was up strongly by 14.7 percent, led by an increase in the purchase of motor vehicles, up 31.2 percent. The unprecedented demand for automobiles is fueled by historically low interest rates, as well as incentives from dealers. Other interest rate-sensitive areas didn't fare as well: the consumption of furniture and appliances increased by just 4.0 percent. Nondurable goods consumption was up a moderate 3.3 percent. Services constitute a little over one-half of all consumption and about 35 percent of total GDP. The consumption of services increased by 3.0 percent in the fourth quarter compared to 0.9 percent a year ago.

Total investment comprises almost one-fifth of real GDP and is usually sensitive to both interest rates and future expansion opportunities. Over the last 18 months business inventories have been steadily

declining, as businesses have been reluctant to invest due to tepid demand. Recently businesses have begun to build up inventory. But during the first quarter of



FY03 total investment declined by 6.1 percent. This seems to indicate that the consumers' idea of a recovery is not completely shared by businesses.

Government spending constitutes 17 percent of GDP and was up by just 0.9 percent. Most of the gain was in federal government spending and was directly linked to expenditures sanctioned following the terrorist attack. State and local government spending declined 0.7 percent.

Industrial production continued to rise for the third successive quarter. Total industrial production is estimated to have increased by 4.0 percent, compared to a decline of 4.7 percent a year ago. All major areas of production were up except coal mining and the fabricated metal industry. The overall factory operating rate is still low at 74.6 percent, compared to the expansion era of the 1990s when it was well over 80 percent.

Personal income, a measure of spending power, was \$9.0 trillion in the first quarter, for an annualized increase of 3.8 percent over the previous quarter. Just a year ago, in the midst of the recession, personal income growth was a tepid 1.4 percent.

The unemployment rate in the first quarter averaged 6.0 percent—the highest since 1994. Inflation has continued to be low and is estimated to have been just 2.0 percent during the first fiscal quarter. The energy component actually showed deflationary pressures by declining 3.3 percent.

Total nonagricultural employment averaged 130.8 million jobs in FY03:1, a

slight increase of 0.3 percent from the previous quarter. Employment is still down, however, when compared to a year ago. Manufacturing employment was down 2.1 percent. The decline was in nearly all sectors; the exceptions were tobacco products, apparel, and petroleum products.

STATE ECONOMY

The state economy seems to be showing some signs of recovery, but manufacturing employment—a major source on Kentucky's personal income—is being hit by imports and reduced demand for capital equipment.

Personal income is the broadest measure of a state's economic performance. Kentucky's personal income is estimated to be \$105.8 billion for the first quarter of FY03, an increase of 3.4 percent from a year ago. U.S. personal income grew at exactly the same rate over that period. Wages and salaries constitute a little over half of personal income. Income derived from wages and salaries is estimated to have grown by just 2.2 percent in the July to September quarter, compared to 1.6 percent nationally. The relatively faster rate of increase in Kentucky's wage and salary income is attributable partly to the slowdown last year and the growth from a relatively low base. In addition, a statistical discrepancy in federal statistics has attributed a disproportionate part of income to Kentucky.

Employment data is commonly used to gauge the strength of the state's economy, primarily because of its timely availability and its impact on consumer spending and confidence. Nonagricultural employment in Kentucky is estimated to

have increased by 16,000 jobs in the first quarter of FY03, resulting in a growth of 0.9 percent. This rate of growth is substantially stronger than the decline of 0.8 percent in employment that is estimated for the national economy for the same period.

Most of the employment growth continues to come from the services sector which grew by a robust 3.5 percent. The largest addition to service employment was in the area of business services with the addition of 6,000 jobs, a gain of 2.6 percent.

The trade sector, which includes both retail and wholesale trade, and government were the other two sectors that showed gains during the first quarter.

Within retail trade the largest gain was for automobile dealers. Government employment was up slightly and is mostly in the area of federal government.

The largest decline in employment was in manufacturing with a loss of 7,300 jobs in the July-to-September quarter.

Employment had stabilized at approximately 300,000 during the latter part of FY02, but then dipped again in the first quarter of FY03. Extrapolating from national trends, it seems that the strong dollar continues to suppress exports and hence domestic manufacturing employment. The largest drop in employment was again in the relatively high paying durable-goods sector.



***Data for first quarter FY02 U.S. economic activity are derived from estimates made by DRI/McGraw Hill Control Scenario, September 2002.*

Table 1
National Economic Indicators
First Quarter, FY2003

	FY02:1	FY02:4	FY03:1*	SAAR** FY02:4 to FY03:1	FY02:1 to FY03:1 Percent Change
Real GDP (billion 1996 \$)	9,186.4	9,389.6	9,449.4	2.6	2.9
Personal Income (billion \$)	8,706.2	8,919.2	9,002.1	3.8	3.4
Real Disposable Income (billion 1992 \$)	6,864.1	7,026.6	7,081.2	3.1	3.2
Consumer Price Index (annual percent change)	0.8	3.4	2.0	-	-
Industrial Production (annual percent change)	-4.7	4.4	4.0	-	-
Civilian Labor Force (millions)	141.7	142.6	142.5	-0.3	0.6
Total Nonagricultural Employment (millions)	131.9	130.7	130.8	0.3	-0.8
Manufacturing Employment (millions)	17.5	16.8	16.7	-2.1	-4.8
Unemployment Rate (percent)	4.8	5.9	6.0	-	-

Sources: DRI-WEFA, and U.S. Dept. of Commerce, Bureau of Economic Analysis.

* Data for FY03:1 are September 2002 estimates.

** Seasonally adjusted annual percent growth rate.

Table 2
Selected Kentucky Economic Indicators
Seasonally Adjusted Data
(Thousands)

	FY02:1	FY03:1	Change	Percent Change
Total Personal Income (\$ millions)	102,320	105,790	3,470	3.4
Wage & Salary Income (\$ millions)	56,700	57,929	1,229	2.2
Total Nonagricultural Employment	1,810.5	1,826.4	16.0	0.9
Mining	20.4	19.1	-1.3	-6.2
Construction	88.3	87.0	-1.3	-1.5
Transportation, Communication, & Public Utilities	107.2	105.4	-1.8	-1.7
Trade	420.6	433.3	12.7	3.0
Finance, Insurance, and Real Estate	76.0	72.1	-3.9	-5.1
Services	482.2	499.2	16.9	3.5
Government	312.1	314.1	2.0	0.6

Note: Numbers may not add up due to rounding.

Source: U.S. Department of Commerce, Bureau of Economic Analysis.
GOEA's Macromodel of Kentucky Forecast, September 2002.

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Revenue Receipts

FIRST QUARTER, FY03

General Fund

The first quarter of FY03 exhibited moderate growth over the first quarter of FY02, but was influenced by unusual circumstances. Receipts in the first quarter totaled \$1,639.9 million compared to \$1,561.2 million received in the first quarter of FY02. The resulting growth rate was 5.0 percent. Two events that occurred during this quarter had a significant impact on revenues. First, a Tax Amnesty program was conducted by the Revenue Cabinet; it resulted in nearly \$40 million in additional receipts during the quarter. Second, a significant one-time receipt occurred in sales tax, resulting in additional collections in excess of \$30 million. Collections in the major revenue categories are shown in summary form in Table 3. Detailed information on these and other accounts is in the Appendix.

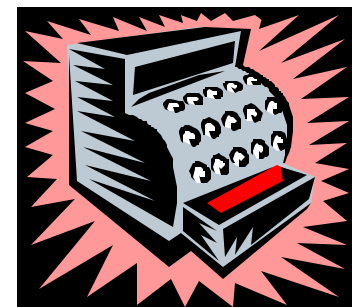
As usual, variations in the quarterly receipts are affected by differences in the timing of payments into revenue accounts. Many tax types were impacted by timing differences of some degree, due to the Tax Amnesty program conducted during the

quarter. Additionally, property taxes had significant timing differences that were not related to the amnesty program.

Total sales and use tax receipts for the quarter were \$634.1 million, compared to \$577.7 million in the first quarter of FY02. The resulting growth rate of 9.8 percent was significantly higher than expectations, but was strongly influenced by one-time events.

Individual income tax posted receipts of \$670.6 million, compared to last year's first-quarter receipts of \$683.1 million. This results in a net decline of 1.8 percent, and compares to last year's first quarter growth rate of 0.3 percent.

Corporation income tax receipts increased significantly in the first quarter of FY03, based in part on amnesty program receipts. Revenues of \$82.7 million were 14.0 percent higher than year-earlier figures of \$72.5 million.



Due to a significant timing difference in Public Service

Table 3
Summary General Fund Receipts
First Quarter, FY2003
(millions of dollars)

<u>Type Tax</u>	<u>FY03</u>	<u>FY02</u>	<u>Percent Change</u>
Sales and Use	634.1	577.7	9.8
Individual Income	670.6	683.1	-1.8
Corporation Income	82.7	72.5	14.0
Coal Severance	36.2	42.1	-13.9
Property	47.1	38.8	21.4
Lottery	40.0	39.0	2.6
All Other	129.2	108.0	19.6
TOTAL	1,639.9	1,561.2	5.0

Company property tax payments, property tax receipts posted a 21.4 percent increase over the first quarter of a year ago. FY03 first-quarter receipts of \$47.1 million compare with \$38.8 million from the first quarter of FY02.

Coal severance tax has returned to a long-term trend of decline. First quarter receipts were down 13.9 percent, posting a significant decline after increases were experienced for most of the prior fiscal year. Collections of \$36.2 million compare to the FY02 first quarter total of \$42.1 million.

Lottery receipts were \$40.0 million, up 2.6 percent from last year's first quarter total of \$39.0 million.

The "all other" category, which represents the remaining accounts of the General Fund, increased by 19.6 percent in the first quarter. First quarter receipts for FY03 were \$129.2 million and compare to \$108.0 million in FY02.

Road Fund

The Road Fund continued its recent robust growth with an increase in the first quarter of FY03 of 10.4 percent over the first quarter of FY02. Receipts totaled \$288.9 million and compare to \$261.7 million from the first quarter of last year. Summary data are contained in Table 4 and detailed data are shown in the Appendix.

Motor fuels tax receipts increased at a rate of 5.5 percent during the first quarter. Receipts were \$113.1 million and compare to \$107.2 million collected during the first quarter of last year.

Motor vehicle usage tax increased significantly in the first quarter, with receipts up by 14.8 percent. Receipts during the first quarter of FY03 totaled \$117.1 million and compare to \$102.0 million collected during the same period last year.

Weight distance tax receipts of \$19.6 million represent a 2.8 percent increase over receipts of \$19.1 million during the first quarter of FY02.

The remainder of the accounts in the Road Fund combined for an increase of 17.1 percent from a year earlier. In the "all other" category, revenues of \$39.1 million were up from \$33.4 million in the first quarter of FY02.

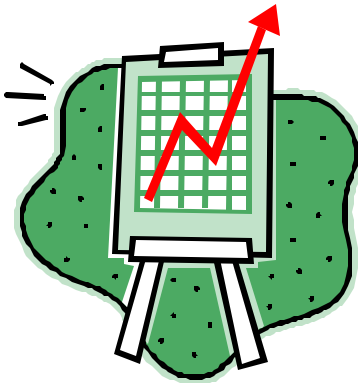
Table 4
Summary Quarterly Report - Road Fund
First Quarter, FY2003
(millions of dollars)

Type Tax	FY03	FY02	Percent Change
Motor Fuels	113.1	107.2	5.5
Motor Vehicle Usage	117.1	102.0	14.8
Weight Distance	19.6	19.1	2.8
All Other	39.1	33.4	17.1
TOTAL	288.9	261.7	10.4

Revenue Outlook

REVENUE OUTLOOK: Interim Forecast

The interim estimates of the General Fund and Road Fund do not represent a revision of the official revenue estimates of the Consensus Forecasting Group. The interim estimates are prepared independently by the Governor's Office for Economic Analysis within the Office of State Budget Director. In compliance with KRS 48.400, the estimates for the final three quarters of FY03 are presented.



General Fund

Projected General Fund revenues for the next three quarters are shown in Table 5. General Fund revenues are anticipated to total \$5,120.6 million in the final three quarters of FY03, yielding a growth rate of 2.4 percent over the same period a year ago. For the entire fiscal year, total General Fund collections are expected to grow 3.1 percent, to a total of \$6,760.5 million.

Sales and use tax receipts are estimated to grow by 2.7 percent in the final three quarters of FY03. Year-to-date growth in sales and use tax revenue has been boosted by one-time payments and the Tax Amnesty program to reach 9.8 percent. Expectations are for this tax to slow considerably in the final three quarters of FY03 as it returns to normal economic growth.

The interim forecast for the individual income tax calls for growth in the remaining three quarters to rise to 6.9 percent. This tax declined in the first quarter by -1.8 percent. As a result, revenues for the fiscal year should total \$2,828.6 million, a growth rate for the entire year of 4.7 percent.

The outlook for corporation income and license taxes projects an decline of 3.7 percent in the final three quarters of FY03. In the first quarter, these two revenue sources rose by 28.5 percent. An increase in refunds being issued, as well as the conclusion of the amnesty program that boosted revenues, should lead to moderate declines for the remainder of the fiscal year. For the entire fiscal year, revenues should rise by 4.8 percent.

Coal severance tax revenue fell sharply in the first quarter of FY03 as the coal industry responded to declining demand. For the remaining three quarters of the fiscal year, coal severance tax receipts should fall by 8.6 percent. Overall for the fiscal year, revenues should decline by 10.0 percent for a total of \$144.2 million.

Property taxes were greatly ahead of schedule in the first quarter due to faster collections of the public service company property tax. Following the increase of 21.4 percent, revenues for the remainder of the fiscal year are expected to drop by 5.2 percent, leading to overall revenue decline for FY03 of 2.8 percent, and revenues of \$420.7 million.

Lottery revenues for the remaining three quarters of FY03 are projected to fall by 6.2 percent. This decrease represents a return to normal lottery sales activity following FY02 in which large Powerball jackpots led to greater revenues. Total lottery revenues for the entire fiscal year should be \$161.9 million, an decline of 4.2 percent from the previous fiscal year.

Revisions to the “other” category included reduction in anticipated investment income, and minor changes in cigarette tax revenue. Total “other” collections should decline by 4.1 percent for the remainder of the fiscal year. Total revenues should therefore equal \$462.0 million.

Road Fund

The Road Fund in the first quarter of FY03 rose by 10.4 percent. The projection for the remaining three fiscal quarters is for a decline of 3.2 percent. The final three quarters of FY02 experienced rapid growth in receipts as auto sales led to increases in the motor vehicle usage tax, and stable



gasoline prices boosted the gasoline tax. The levels of automobile and motor fuel purchases are not expected to continue. For the entire fiscal year, the Road Fund should be flat, with a total of \$1,118.9 million.

The combined total of motor fuels normal, heavy vehicle fuel surtax, and motor fuels normal use tax is estimates to rise by 0.7 percent in the final three quarters and by 2.1 percent for the fiscal year, with revenues of \$453.8 million.

Motor vehicle usage taxes are expected to decline by 4.4 percent in the remainder of the fiscal year. For the entire FY03, revenues should rise by 0.2 percent and yield \$430.0 million.

To estimate growth of all other components of the Road Fund, Transportation Cabinet officials assessed the growth patterns of FY02 as well as administrative factors in developing an updated estimate. Based on the latest evaluation, license and privilege taxes are expected to fall 0.6 percent for the fiscal year, with total revenues of \$103.2 million. “Other” revenues are projected to decline sharply, based on reduced investment income.

Table 5
General Fund: Interim Forecast
(millions of dollars)
October 2002

	FY03		FY03		FY03	
	Quarter 1		Quarters 2, 3, & 4		Full Year	
	Actual	% Chg Year Ago	Interim Estimate	%Chg Year Ago	Interim Estimate	% Chg Year Ago
Sales & Use	634.1	9.8	1,768.4	2.7	2,402.5	4.5
Individual Income	670.6	-1.8	2,158.1	6.9	2,828.6	4.7
Corp. Income & License	110.6	28.5	230.0	-3.7	340.6	4.8
Coal Severance	36.2	-13.9	108.0	-8.6	144.2	-10.0
Property	47.1	21.4	373.6	-5.2	420.7	-2.8
Lottery	40.0	2.6	121.9	-6.2	161.9	-4.2
Other	101.3	7.2	360.7	-4.1	462.0	-1.8
Total General Fund	1,639.9	5.0	5,120.6	2.4	6,760.5	3.1

Table 6
Road Fund: Interim Forecast
(millions of dollars)
October 2002

	FY03		FY03		FY03	
	Quarter 1		Quarters 2, 3, & 4		Full Year	
	Actual	% Chg Year Ago	Interim Estimate	% Chg Year Ago	Interim Estimate	% Chg Year Ago
Motor Fuels & MF Use/Surtax	116.5	6.4	337.3	0.7	453.8	2.1
Motor Vehicle Usage & Rental	117.1	14.8	312.9	-4.4	430.0	0.2
License & Privilege (excl. WD)	17.9	0.6	85.3	-1.0	103.2	-0.8
Weight Distance Tax/Surtax	19.6	2.6	58.4	3.9	78.0	3.6
Toll Income	3.6	2.9	10.2	-1.0	13.8	0.0
Investment	9.6	88.2	10.4	-61.5	20.0	-37.9
Other	4.7	-2.1	15.4	-0.6	20.1	-0.5
Road Fund	289.0	10.4	829.9	-3.2	1,118.9	0.0

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APPENDIX

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KENTUCKY STATE GOVERNMENT REVENUE GENERAL FUND REVENUE

	First Quarter 2002 - 2003	First Quarter 2001 - 2002	Percent Change
TOTAL GENERAL FUND	\$1,639,906,089	\$ 1,561,241,250	5.0
Tax Receipts	1,579,455,730	1,500,911,675	5.2
Sales and Gross Receipts	681,263,967	618,571,964	10.1
Beer Consumption	1,813,752	1,679,554	8.0
Beer Wholesale	10,219,220	9,567,702	6.8
Cigarette	4,096,710	3,606,146	13.6
Distilled Spirits Case Sales	20,627	20,375	1.2
Distilled Spirits Consumption	2,074,773	2,035,777	1.9
Distilled Spirits Wholesale	3,765,227	3,634,217	3.6
Insurance Premium	22,364,275	17,488,414	27.9
Pari-Mutuel	808,352	905,952	-10.8
Race Track Admission	100,353	97,345	3.1
Sales and Use	634,112,839	577,704,045	9.8
Wine Consumption	431,521	415,769	3.8
Wine Wholesale	1,456,319	1,416,668	2.8
License and Privilege	71,464,230	62,895,734	13.6
Alc. Bev. License Suspension	41,250	91,800	-55.1
Coal Severance	36,219,762	42,065,056	-13.9
Corporation License	27,914,292	13,593,589	105.3
Corporation Organization	100,029	16,471	507.3
Occupational Licenses	45,141	67,000	-32.6
Oil Production	757,713	775,725	-2.3
Race Track License	154,875	(173,177)	—
Bank Franchise Tax	(577,422)	(1,199,162)	—
Driver License Fees	140,417	129,714	8.3
Minerals Severance	3,355,935	3,480,427	-3.6
Natural Gas Severance	3,312,239	4,048,293	-18.2
Income	753,263,564	755,580,602	-0.3
Corporation	82,713,014	72,529,982	14.0
Individual	670,550,550	683,050,620	-1.8
Property	47,104,463	38,816,430	21.4
Bank Deposits	260	3,951	-93.4
Building & Loan Association	122,792	50,800	141.7
Distilled Spirits	39,530	67,677	-41.6
General - Intangible	(17,804)	432	—
General - Real	(212,935)	(316,792)	—
General - Tangible	15,627,484	22,008,459	-29.0
Omitted & Delinquent	1,384,891	6,895,304	-79.9
Public Service	30,149,279	10,091,567	198.8
Other	10,965	15,032	-27.1
Inheritance	20,992,734	22,706,920	-7.5
Miscellaneous	5,366,773	2,340,025	129.3
Legal Process	3,617,213	892,006	305.5
T. V. A. In Lieu Payments	1,749,560	1,447,794	20.8
Other	-	225	-100.0
Nontax Receipts	58,161,525	58,299,208	-0.2
Departmental Fees	5,181,911	4,406,099	17.6
PSC Assessment Fee	2,733,762	1,593,347	71.6
Fines & Forfeitures	9,542,587	9,974,416	-4.3
Interest on Investments	259,356	3,104,381	-91.6
Lottery	40,000,000	39,000,000	2.6
Miscellaneous	443,908	220,964	100.9
Redeposit of State Funds	2,288,833	2,030,367	12.7

KENTUCKY STATE GOVERNMENT REVENUE ROAD FUND REVENUE

	First Quarter 2002 - 2003	First Quarter 2001 - 2002	Percent Change
TOTAL ROAD FUND	\$288,874,322	\$261,654,342	10.4
Tax Receipts	271,043,462	248,308,753	9.2
Sales and Gross Receipts	233,524,484	211,463,648	10.4
Motor Fuels Taxes	113,117,361	107,178,254	5.5
Motor Fuels Use & Surtax	3,269,417	2,196,231	48.9
Truck Trip Permits (fuel)	84,640	97,400	-13.1
Motor Vehicle Usage	117,053,066	101,991,763	14.8
License and Privilege	37,518,978	36,845,106	1.8
Motor Vehicles	14,401,513	14,265,550	1.0
Motor Vehicle Operators	1,458,656	1,269,907	14.9
Weight Distance	19,622,140	19,083,073	2.8
Truck Decal Fees	36,737	57,088	-35.6
Other Special Fees	1,999,933	2,169,488	-7.8
Nontax Receipts	17,364,220	12,286,299	41.3
Departmental Fees	3,711,801	3,034,641	22.3
In Lieu of Traffic Fines	387,701	541,195	-28.4
Highway Tolls	3,586,131	3,458,847	3.7
Investment Income	9,569,771	5,125,993	86.7
Miscellaneous	108,816	125,624	-13.4
Redeposit of State Funds	466,640	1,059,290	-55.9

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